Before the

FEDERAL COMMUNICATIONS COMMISSION

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In the matter of	)	
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Implementation of the Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996	))))	CC Docket No. 96-128
BellSouth Comparably Efficient Interconnection Plan for Payphone Service Providers	)))	

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

Comments of the Southeastern Public Communications Coalition to BellSouth's Proposed CEI Plan

I. Introduction

The Federal Communications Commission (the"Commission"), in its *Report and Order*, as modified by its *Reconsideration Order*, both issued in this Docket[1], required Bell Operating Companies ("BOCs") to implement the nonstructural safeguards originally adopted for integrated enhanced service operations in the *Computer III* and *ONA* proceedings. Specifically, the Commission directed the BOCs to file Comparably Efficient Interconnection ("CEI") Plans. These plans are to describe how BOCs will comply with the *Computer III* unbundling and CEI parameters, accounting requirements, customer proprietary network information ("CPNI") requirements as modified by Section 222 of the Telecommunications

[1]*Implementation of the Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996*, CC Docket No. 96-128, *Report and Order*, FCC 96-388 (September 20, 1996) and *Order on Reconsideration*, FCC 96-439 (November 8, 1996).

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Act of 1996 (the "Telecom Act"), network disclosure requirements, and installation, maintenance and quality nondiscrimination requirements.

In response to the FCC's directive, BellSouth Telecommunications, Inc. ("BellSouth") filed on November 22, 1996 its proposed CEI plan. The FCC established a pleading cycle directing all interested parties to file comments on the BellSouth proposal by December 30, 1996.

The Southeastern Public Communications Coalition ("SPCC") is a coalition of trade associations consisting of independent public payphone service providers ("PSPs") representing the nine BellSouth states.[2] The SPCC was formed specifically to assert the regional industry-wide position and comments on the CEI plan filed by BellSouth.

II. Summary of Comments

The FCC's decision in this proceeding is critical to the development of robust competition in the public communications market, particularly since BellSouth is the first Bell Operating Company to file a plan for comparably efficient interconnection of PSPs. The SPCC applauds BellSouth for proposing to separate its payphone operations into a structurally distinct corporate entity. The SPCC strongly believes that corporate separation of this type is

[2]The SPCC is a coalition of public telecommunications associations representing Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina and Tennessee. The members of these state associations include independent PSPs, operator service providers, long-distance carriers and other telecommunications-related companies operating in each state. Each association acts as an advocate for the public payphone industry and engages in educational, and "self-regulatory" activities to help ensure the responsible provision of pay telephone services to the public.

an extremely effective first step toward Congress' and the Commission's goal of competitive parity between local exchange company and independent PSP payphone operations. However, BellSouth's CEI plan stops short of presenting the detail necessary for either the Commission or interested parties to fully and adequately assess the Plan and comment upon its effectiveness.

Simply put, the creation of a new wholly owned corporate entity through which BellSouth offers its payphone services does not automatically ensure comparably efficient interconnection. BellSouth must fully disclose its relationship with BellSouth Public Communications, Inc. ("BSPC") and make this relationship subject to examination by the Commission and the parties. Also, BellSouth must show the precise mix of products and services it intends to use in providing payphone services to the public. Finally, the means through which BellSouth provides these products and services to BSPC must be subject to examination.

Based upon available information and certain reasonable assumptions, the SPCC currently believes that BellSouth's plan gives BSPC competitive advantages that will serve to stifle competition in the payphone market. For instance, in several states BellSouth has structured its Smartline payphone interconnection service in a way that provides an impermissible competitive advantage to BSPC payphones. Independent PSPs cannot use the Smartline interconnection service for their own payphones, and this is the interconnection that the SPCC is informed that BellSouth prefers. Moreover, BellSouth's proposed plan leaves open the very real possibility of competitively impermissible relationships between BellSouth and BSPC. As an example, BellSouth could provide billing and collection services to BSPC in ways that, while not in conflict with BellSouth's tariff, would still give BSPC a cost and resource advantage over its independent PSP competitors that would stifle competition.

For the reasons discussed more fully in the body of these comments, the SPCC respectfully requests that the Commission order BellSouth to provide additional details regarding its planned provision of payphone service. The Commission should then allow all parties a reasonable opportunity to respond in full to BellSouth's resubmitted plan. In the alternative, the SPCC requests that the Commission deny approval of BellSouth's CEI plan, and require BellSouth to re-cast its Plan to meet the requirements of the Telecom Act.

III. Discussion

BellSouth's proposed CEI does not provide sufficient information for either the parities to fully comment, or the Commission to assess whether the plan meets the requirements of the Telecom Act. The following sections discuss some major inequities that could arise under BellSouth's proposal.

A. BellSouth's Plan Provides BSPC With Access to the Local Exchange Network that is Impermissibly Superior to the Access Provided by BellSouth to Independent Payphone Providers.

BellSouth notes in its Plan that it provides two interconnection services for PSPs: Public Telephone Access Service for Customer Provided Equipment ("PTAS") and Smartline. BellSouth has attached its Florida tariff for these two services and represents to the

Commission that this tariff is "representative of other BellSouth state tariffs." BellSouth fails to disclose whether it will use Smartline or PTAS for its interconnection. This information is critical to the Commission's ruling on BellSouth's Plan.

Independent PSPs use computerized payphones, sometimes called "smart phones." These payphones can rate local and long distance calls, prompt the end-user to dial additional digits or deposit additional coinage, and provide coin return if a call is not completed. Historically, BellSouth has used less expensive "dumb" payphones that do not provide these functions. Instead, BellSouth provides these functions to its own payphones from BellSouth's central office. As an example, BellSouth's central office live and automated operators prompt an end-user to deposit additional coinage. Smart phones provide this prompt internally. The line that BellSouth has used to connect its payphones to the network is known in the industry as a "coin line." BellSouth has represented to the independent PSP industry that its newly tariffed Smartline service is identical to the coin line that BellSouth has used to interconnect its payphones. BellSouth has tariffed Smartline in all of its states during the last two to three years.

Independent PSPs have always connected to the network through PTAS. Local exchange company charges for this interconnection are the single largest element of an independent PSPs cost. PTAS is essentially identical in its physical characteristics to BellSouth's single-line business (B-1) service. Independent PSPs must use PTAS and cannot use Smartline for several reasons. First, most existing independent PSP payphones will not function on Smartline. To use Smartline, independent PSPs must invest prohibitive amounts to purchase and install new equipment. Most of their existing investment would be stranded. According to estimates by the major equipment manufacturers, fully 80% of all smart phones used by independent PSPs cannot be retrofitted to use Smartline, but instead must be totally replaced. Second, Smartline would require independent PSPs to relinquish control to the BellSouth central office for rating local and long distance coin calls. Independent PSPs now offer price-competitive rating packages, such as 25¢ per-minute for long distance calling anywhere in the U.S. These programs have been very popular with payphone users nationwide. Since with Smartline BellSouth's central office controls long distance call rating, BellSouth only offers one rating program of *its* choosing for PSPs using Smartline.

Therefore, BellSouth is the only PSP that can realistically use Smartline for its interconnection. Consequently, the Commission must closely compare BellSouth's rates and features for Smartline with those for PTAS to ensure that Smartline does not give BellSouth an unfair competitive advantage.

BellSouth has submitted pages from its Florida payphone tariff as "representative of other BellSouth state tariffs." This submission by BellSouth is misleading in two ways. First, the tariff pages BellSouth has presented for PTAS service in Florida are obsolete. BellSouth amended them more than one and one-half years ago. Second, the current Florida tariff is not representative of other BellSouth tariffs. Of the BellSouth states, Florida has the most economically fair pricing relationship between rates charged for Smartline and PTAS. However, in other BellSouth states, the charges for PTAS are excessive when compared with Smartline. In this regard, the Florida tariff is markedly different from any other BellSouth states and is hardly "representative of other BellSouth state tariffs." The PTAS rates in Florida range from $19.80 to $29.10. BellSouth's PTAS rates in other BellSouth states are much higher. In North Carolina, for instance, PTAS rates average around $61.28 per month, based upon a representative sample of more than 300 independent payphones located in BellSouth territories. In South Carolina, independent PSPs pay an average of more than $82 per month for PTAS, also based upon a representative sample of independent PSPs.

The current BellSouth tariff for Florida is attached as Exhibit 1. For comparison, the current South Carolina tariff is attached as Exhibit 2. The differences between the Florida and South Carolina tariffs are of key importance. In Florida, BellSouth offers both PTAS and Smartline for flat monthly rates. Monthly charges for PTAS equal BellSouth's single-line business rate and range from $19.80 to $29.10, depending upon local exchange area. In sharp contrast, the monthly charge for Smartline in Florida is much higher than PTAS, at $45. Attached as Exhibit 3, is BellSouth's cost study for Smartline filed with the Florida Public Service Commission used to justify Florida's Smartline rate. It is important to note that BellSouth's cost of $44.25 includes a $10.21 (30%) "contribution," or subsidy to other regulated services. Under the FCC' recent ruling in this docket, this subsidy must be eliminated. Also, since Smartline includes a vast array of additional features that are not part of PTAS service, BellSouth's cost for providing Smartline is much greater than for providing PTAS. The additional features allow Smartline to provide greater value to the payphone provider - in this case BSPC - than PTAS.

BellSouth's rates for PTAS in Florida are in some instances less that half of its rates for Smartline. This rate differential reflects the additional cost and value of Smartline in comparison to PTAS. Based upon Florida's cost information, PTAS in other BellSouth states is grossly overpriced. The Commission should require BellSouth as part of this proceeding to restructure its PTAS rates in all BellSouth states to equal BellSouth's flat monthly B-1 rate.

Unlike Florida, BellSouth provides Smartline in some of its other states at rates that are *either the same as or lower than PTAS*. The South Carolina tariff attached as Exhibit 2 is representative. There, BellSouth offers Smartline in certain areas for a flat rate of $44 a month, and in other areas for a usage sensitive rate of $38 per month, plus a per-minute charge on local calls. BellSouth only offers PTAS on a usage-sensitive basis in South Carolina. In those South Carolina areas where Smartline is flat-rated, monthly Smartline rates are substantially lower than PTAS, which average $72. Where Smartline is usage sensitive, its rates are identical to PTAS, in spite of Smartline's greater cost and value. This graphically demonstrates that the rates for PTAS in BellSouth states other than Florida are entirely too high, and fail to reflect BellSouth's cost for this service.

Regardless of whether BSPC receives Smartline for a flat or usage-sensitive rate, the service gives BSPC a competitive advantage it could use to drive independent PSPs from the payphone market. Such a discrepancy in interconnection is in direct violation of the comparably efficient interconnection obligation Congress and the Commission have placed upon BellSouth.

B. The Commission should require BellSouth to immediately reduce its rates for PTAS to satisfy the *Computer III* mandate for BellSouth to reduce transmission costs to its competitors.

The Commission should require BellSouth to significantly lower PTAS rates so that they are equal to the Florida PTAS rates, which are BellSouth's single line business rates in that state. This reduction is consistent with BellSouth's *Computer III* obligation to reduce transport costs to its competitors.[3] The principle of *Computer III* requires BOCs to reduce transmission costs [in this instance, PTAS rates] to its competitors where the BOCs' own interconnection [Smartline] gives it in unfair cost advantage. BellSouth argues that it is not required to reduce PTAS rates since "BellSouth will subscribe to the same tariffed services as other payphone service providers." *BellSouth CEI Plan*, P. 9. However, since independent PSPs cannot realistically interconnect to the local network through Smartline, the cost reduction requirements of *Computer III* directly apply. The Commission must require BellSouth to reduce PTAS rates to its competitors to ensure that their interconnection is comparably efficient. This will mean that each BellSouth payphone services tariff must be analyzed and the cost advantage provided to BellSouth through Smartline must be eliminated.

While it is possible that BSPC may use a combination of PTAS and Smartline for its payphone interconnections, *BellSouth will still have a choice of interconnection*, and independent PSPs will not. *Computer III* requires BellSouth to reduce its PTAS rates to eliminate this cost advantage.

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[3] *Computer III Phase I Order*, at 1042.

C. The Commission must require BellSouth to unbundle its payphone access services and base the rates for these services upon BellSouth's total service long run incremental ("TSLRIC") cost.

BellSouth's description of its plan to unbundle its payphone line access services is completely inadequate. BellSouth states in conclusory fashion that it will offer two service arrangements "that meet the need of payphone providers." CEI Plan at 5. BellSouth goes on to describe its PTAS and Smartline services which will be offered pursuant to tariff to payphone providers. In addition, BellSouth states that it will offer local usage detail, coin refund and repair referral service, and answer supervision as "additional services that will be equally available to all payphone service providers." *Id.* at 6.

This description of its unbundling plan does not comply with the Commission's instructions on this topic. In its *Report and Order*, the Commission advised:

> In its CEI plan, a BOC must explain how it will unbundle basic payphone services. Thus, a BOC must indicate how its plans to unbundle, and associate with a specific rate element in a tariff, the basic services and basic service functions that underlie its provision of payphone service. Nonproprietary information used by the BOC in providing the unbundled basic service will be made available as part of CEI. In addition, any options available to the BOC in the provision of basic services or function would be included in the unbundled offerings.

Report and Order at ¶204 (emphasis added). The genesis of this requirement is the Commission's Phase I order in *Computer III*. That order provides:

> As part of its CEI offering, the basic services and basic service functions that underlie the carrier's enhanced service offering must be unbundled from other basic service offerings and associated with a specific rate element in the CEI tariff. Information utilized by the carrier in providing the unbundled basic services, such as

> calling number identification, that is not proprietary to its customers, must be made available as part of CEI. Moreover, any options that are available to a carrier in the provision of such service or functions also must be included in the unbundled offering. All basic network capabilities utilized by the carrier's enhanced service offerings, including signaling, switching, billing and network management, are subject to this unbundling requirement. We emphasize that the carrier must provide such unbundled services to others in a form unaffected by the carrier's enhanced service operations, so that competitors can utilize such services without distortion or degradation caused by the carrier's use of them.

Amendment of Section 64.702 of the Commission's Rules and Regulations (Third Computer Inquiry), Report and Order, CC Docket No. 85-229, Phase I, 104 FCC 2d 948 at ¶158 (1986) (*Phase I Order*) (citations omitted).

While BellSouth's plan does describe the payphone line access that it intends to provide to payphone providers, the plan fails to offer any information concerning the constituent elements of payphone line access or the service which is currently provided to its own payphone operations. This failure is critical, because the purpose of the unbundling requirement is to prevent a BOC from discriminating against its competitors in its service offerings. As requirement by the Commission, "any basic transmission services provided by a LEC to its own payphone operations must be available under tariff to other payphone providers. . . ." *Report and Order* at ¶148. If BellSouth does not disclose the services to which its currently subscribes or the constituent elements of the service, the Commission cannot evaluate whether or not BellSouth has sufficiently unbundled its service offerings.

The Commission, in its *Report and Order*[4] and *Order on Reconsideration*[5], requires BOCs to unbundle the features that they provide to their own payphone services, and file tariffs for these services and features that are:

> (1) cost based; (2) consistent with the requirements of Section 276 with regard, for example, to the removal of subsidies from exchange and exchange access services; and (3) nondiscriminatory.[6]

It is the SPCC's understanding that today BellSouth provides service to its payphones through both PTAS and coin line. BellSouth must unbundle the features for both services and tariff them at rates that meet the three requirements set forth above. BellSouth's PTAS and Smartline services fail to meet these three requirements in any BellSouth state.

Rates for PTAS service in other BellSouth states are many times higher than PTAS rates in Florida. Monthly usage sensitive PTAS rates average $61.28 in North Carolina and $82 in South Carolina. These excessive rates compare very unfavorably to Florida's PTAS rates that range from $19.80 to $29.10. BellSouth's existing PTAS rates are not cost based, include impermissible subsidies, and discriminate against independent PSPs. BellSouth must reduce these PTAS rates to accurately reflect its TSLRIC before the Commission can approve BellSouth's CEI Plan.

[4]*Report and Order*, ¶¶146-149.

[5]*Order on Reconsideration*, ¶¶162-165.

[6]*Id.*, ¶163.

D. The Commission must require that BellSouth transfer its assets to BSPC at full market value.

The SPCC is informed that BellSouth has recently made significant investments in smart phone technology. This step would be necessary in order for BellSouth to provide payphone service using PTAS. If BellSouth has recently made this investment, it must disclose on a state-by-state basis the details of these purchases. Were its purchases paid for by local exchange customers and rolled into its rate base? What equipment was purchased, and at what cost? Most importantly, how does BellSouth intend to reflect the value of this equipment upon transfer to BSPC? This accounting issue is an integral part of this proceeding.

Competition in the payphone market will immediately increase when BSPC begins to compete with independent PSPs. As this increase in competition occurs, competitive pressures will naturally drive the prices that PSPs can charge for services toward the PSPs' cost. Exhibit 4 shows average independent PSP costs for local calling in North Carolina with a \$.35 coin rate.[7] In that area, and at that coin rate, the average PSP will actually *lose* \$ .023 per call. Significantly, this analysis shows that it will cost \$ .052 per call to amortize \$1,785 in smart phone equipment per line over 60 months. Exhibit 5 shows this same cost analysis, but assumes a scenario where BellSouth is allowed to amortize its equipment at only \$300 per line.

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[7]This exhibit is a summary of cost data from over three-fourths of all independent PSPs operating in North Carolina. It should be noted that this analysis does not include amortization of the value of payphone contracts. Clearly, as in the present transfer from BellSouth to BSPC, existing contracts that are assigned to a new payphone company are part of the assets transferred and have significant value. The value of these assets must be accurately reflected in the new company's capital structure so that their amortization will in turn accurately reflect that company's actual cost of providing service.

Amortization cost decreases to $ .009 per call, converting a $ .023 per call *loss* into a $ .02 per call *profit*.

This demonstration of cost shows why to ensure sustainable competition in the payphone market, the Commission must closely analyze BellSouth's valuation of its payphone assets. A three or four hundred dollar discrepancy in valuation will mean the difference between BellSouth operating at a profit or a loss.

The analysis also shows again why BellSouth must reduce rates for PTAS. Without such a reduction, BellSouth will use its control over PTAS rates to gradually squeeze most of its PSP competitors out of the payphone market. BellSouth's tendency to squeeze out competition may not be intentional, but it will occur as the natural result of economic forces over which neither BellSouth nor independent PSPs have any control.

E. The Commission must require that BellSouth fully disclose the details of its proposed relationship with BSPC.

BellSouth's plan fails to detail the exact nature of its proposed relationship with its new subsidiary, BSPC. This proposed arrangement raises several questions that must be answered before the parties can offer substantive comments on BellSouth's proposed Plan. Some of those questions follow.

1. Exactly how does BellSouth intend to give BSPC information concerning network modifications, such as the arrival of new NXX and/or area codes?

2. Does BellSouth intend to bill BSPC for all services in the same way that it bills independent PSPs, or does it intend to bill and collect through computerized debits and credits? BSPC will almost certainly connect its computer system to BellSouth's. It would be unfairly discriminatory for BellSouth to bill and

receive payments from BSPC through intercompany downloads of information, debits and credits.

3. What entity will provide BSPC with local and intraLATA operator services? Will that entity use a clearing house for billing and collection?

4. If BellSouth provides operator services for BSPC, what commission arrangement will exist between the two?

5. Will BellSouth and/or BSPC employees engage in the joint marketing of BellSouth and BSPC services?

6. Will customers be able to reach BSPC personnel by dialing the BellSouth business office or a BellSouth operator? If so, will BellSouth charge BSPC for this service?

7. How will BellSouth share business information with BSPC (for example, identification of new business customers who might also need a payphone installation)?

8. Exactly how will BellSouth structure BSPC? Will there be shared directors, and/or shared employees? If so, how will they be compensated, and how will that compensation be reflected for accounting purposes?

9. Will BellSouth allow BSPC to market BSPC's payphone services through use of the BellSouth logo? How will this be handled? Will BSPC pay BellSouth for this use?

10. Will BellSouth and BSPC share costs for advertising that benefits BSPC? Nationwide advertising by BellSouth of its name and products will tangibly benefit BSPC. Will BellSouth provide this advertising to BSPC at no charge, or will they apportion its cost to BSPC in some way?

11. BellSouth has spent millions of dollars very recently to upgrade its payphone enclosures to effectively advertise the BellSouth name to the public. Will BellSouth or BSPC pay location owners for allowing the logo "BellSouth" to be prominently displayed from payphone enclosures on the owners' premises?

12. Currently, BellSouth refuses all requests from independent PSPs to install PTAS lines at locations where a BellSouth payphone is in place and under contract. BellSouth does not provide this protection to independent PSPs under similar circumstances. Does BellSouth intend to continue this practice for

BSPC? Will BellSouth even know whether BSPC has a contract for a particular location? If so, how will it obtain this information? Will the same information be available to independent PSPs under the same terms?

13. Precisely how will BellSouth and BSPC handle employee issues. Will BSPC employees participate in BellSouth pension and profit-sharing plans? Will employees who transfer from BellSouth to BSPC be given credit for retirement purposes for the years that they worked with BellSouth? Will BSPC use BellSouth's volume buying power to ensure that the cost for BSPC employees' health insurance is as low as possible?

14. Does BellSouth intend to tariff volume discounts for payphone access services, based upon the number of payphone lines to which a customer such as BSPC subscribes? If so, what will be the volume breaks-points that coincide with each discount percentage?

15. How does BellSouth intend to route calls originated from BSPC payphones? BellSouth must be required to provide a schematic diagram and network specifications for this routing.

16. What are BellSouth's intentions with regard to BSPC's use of proprietary toll-free numbers that BellSouth's payphone operations currently use, such as those beginning with "780?" Will these dialing arrangements be made available to all independent PSPs?

BellSouth would probably prefer to answer each of these questions by saying only that it will not discriminate in favor of BSPC with regard each specific point. A cursory response of this nature would be inadequate. BellSouth must make the detailed answers to these questions available to the parties and the Commission for their analysis and comments.

F. The Commission must require that BellSouth identify each possible type of access line through which BSPC can interconnect with the local exchange network, and further identify the exact features of each line.

BellSouth's Plan fails to identify which BellSouth services BSPC will use to provide payphone services. What type of line does BellSouth currently use to connect its payphones, and in what numbers? If this interconnection will change in any way when BSPC takes over, how will it change? If BSPC intends to use a different type of interconnection from BellSouth, what will be the cost to upgrade its equipment, and who will bear that cost? If BellSouth bears the cost, exactly how will it transfer that cost upon the creation of BSPC?

BellSouth must list each feature that it now uses for payphone service and each feature that BSPC intends to use. Examples of such features are operator screening, blocking, and coin refund. All such features must be fully described, tariffed, and made available to independent PSPs on the same terms and conditions as they are made available to BSPC.

G. The Commission should set a reasonable testing period for independent PSPs to test BellSouth's interconnection proposals.

BellSouth acknowledges that the *Computer III Phase I Order* requires the BOC to specify a reasonable time for its competitors to test the facilities and services that make up the BOCs CEI offering. BellSouth contends, nevertheless, that this requirement does not apply here since BellSouth has already made its CEI services available to independent PSPs. The SPCC believes that a testing period is still appropriate, once BellSouth has properly unbundled its services. Until BellSouth reveals the exact details of its Plan, affected parties have no way of knowing what tests to perform. BellSouth will use a certain combination of features and independent PSPs cannot engage in testing until that combination is known.

IV. Conclusion

The SPCC requests an order from the FCC requiring BellSouth to provide more specific detail regarding its CEI plan. At the very least, BellSouth should address each matter raised in these Comments. In making this request, the SPCC does not intend to unduly prolong the approval process. It commits to respond to BellSouth's more detailed plan on an expedited basis.

In the alternative, the Commission should deny BellSouth's proposed CEI Plan. As currently proposed, the plan creates competitive inequities that the Telecommunications Act of 1996, as implemented by this Commission, does not permit.

Respectfully submitted,

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This 30th day of December, 1996

EXHIBIT ONE

A7. COIN TELEPHONE SERVICE

A7.3 Reserved for Future Use (Cont'd) (T)

A7.4 Public Telephone Access Service For Customer Provided Equipment (CPE)

A7.4.1 General

A. Public Telephone Access Service for CPE is an exchange line service provided at the request of the subscriber for telecommunications use.

B. Public Telephone Access Service for CPE is provided for use with customer provided telephones.

C. The carriage and completion of all local dialed calls including operator service functions, are provided by the Company. Dialed calls are defined by those digits entered by the end user which control the routing of the call. Modification or translation of these digits on any local call is not allowed.

D. Public Telephone Access Service for CPE is provided subject to the condition that telephone messages (local and long distance) placed from stations which are accessible to the public are completed over Public Telephone Access Service for CPE lines (or other Public or Semipublic lines). Where Public Telephone Access Service for CPE is furnished, any type or grade of residence or business service offered regularly at that location may be furnished in addition, provided such residence or business service is confined to locations solely for use by the particular establishment.

E. Customer-provided public telephones may not be attached to other types of access lines. A subscriber must order a separate Public Telephone Access line for each CPE public telephone installed and will be billed the Tariffed rate for each line.

F. Public Telephone Access Service For CPE will only be provided as Two-Way service, except lines placed in correctional institutions, schools, hospitals and other locations for which a specific exemption has been granted by the Public Service Commission. There will be no charge imposed for incoming calls.

G. Participation of subscribers to Public Telephone Access Service for CPE in optional EAS plans is not allowed.

H. For customers subscribing to Caller ID - Deluxe, as specified in A13.19.2.H of this Tariff, if the incoming call originates from a customer provided public telephone, the name information transmitted will always be "Pay Phone".

A7.4.2 Responsibility of the Subscriber

A. The subscriber shall be responsible for the installation, operation and maintenance of any customer-provided telephones used in connection with this service.

B. The customer shall be responsible for payment of a nonrecurring charge as specified in Section A15. of this Tariff for each visit by the Company to the customer's premises solely to determine that the service difficulty or trouble report results from the use of equipment or facilities provided by the customer.

A7. COIN TELEPHONE SERVICE

A7.4 Public Telephone Access Service For Customer Provided Equipment (CPE) (Cont'd)

A7.4.2 Responsibility of the Subscriber (Cont'd)

C. Customer-provided telephones must be connected to the Company network in compliance with Part 68 of the FCC Rules and Regulations as well as regulatory requirements of the Florida Public Service Commission and certification requirements of the State of Florida. The telephones must have the following operational characteristics:

1. Must be able to access the "Operator", where 911 is not available at no charge to the calling party.
2. Must be able to access 911 Emergency Service, where available, at no charge to the calling party.
3. Must be able to access 411 Directory Assistance at no charge to the calling party.
4. The appropriate emergency number (Operator, 911) must be clearly posted at each location of a customer-provided telephone.
5. Must clearly indicate procedures for obtaining a refund from the subscriber and that the customer-provided telephone is not being provided by the Company. (The Company is not responsible for refunds of coins deposited in customer-provided coin-operated public telephones.)
6. Must be equipped to return the coins to the caller in the case of an incomplete call.
7. The telephone number of the line must be displayed on each CPE telephone.
8. Where provision for interexchange calling is provided, must be capable of providing access to all interexchange carriers certified to do business in Florida.
9. May have a maximum of one non-dialable extension per station access line. This extension must be within the same premises as the main station and may be a maximum of 35 feet from the main station or have a privacy feature to disable the extension when the main station is in use.

D. Proof of certification must be furnished to the Company by the subscriber prior to Public Telephone Access Service for CPE being furnished.

E. The subscriber is responsible for meeting all federal, state and local statutes with respect to provision of customer-provided telephones in accordance with all hearing impaired and handicapped person requirements.

A7.4.3 Violations of Regulations

A. Where any customer-provided telephone is used and/or connected in violation of this Tariff, the Company will promptly notify the customer of the violation.

B. Violations of the Tariff, Commission rules pertaining to public telephone service, or certification requirements will subject subscribers of Public Telephone Access Service for CPE to disconnection of service if the deficiency is not corrected within 10 days from date of notification to the subscriber.

(M)

A7. COIN TELEPHONE SERVICE

A7.4 Public Telephone Access Service For Customer Provided Equipment (CPE) (Cont'd)

A7.4.4 Service Features

A. Central Office Blocking with Operator Screening *for Usage Rate Service.* (C)

Subscribers to this service are required to take one of the following options where facilities are available to provide such service.

Option	Description	USOC
C	Two-Way Service. Provides screening information to the operator to prevent operator assisted sent-paid calls from being billed to the line. Provides central office blocking of 011+ calls[1,2,3]	2SM
D	Outward Only Service. Provides screening information to the operator to prevent operator assisted sent-paid calls from being billed to the line. Provides central office blocking of 011+ calls.[1,2,3,4]	1ZP
E	Two-Way Service. Provides central office blocking of 7 digit local, 1+DDD, 1+ 900 and 011+ calls. Provides screening information to the operator to prevent operator assisted sent-paid calls from being billed to the line.[1,2]	17E
F	Outward Only Service. Provides central office blocking of 7 digit local, 1+DDD, 1+900 and 011+ calls. Provides screening information to the operator to prevent operator assisted sent-paid calls from being billed to the line.[1,2,4]	17F
G	Two-Way Service. Provides central office blocking of 1+DDD, 1+900 and 011+ calls. Provides screening information to the operator to prevent operator assisted sent-paid calls from being billed to the line.[1,2]	17G
H	Outward Only Service. Provides central office blocking of 1+DDD, 1+900 and 011+ calls. Provides screening information to the operator to prevent operator assisted sent-paid calls from being billed to the line.[1,2,4]	17H

Note 1: 011+ blocking provides central office blocking of calls to numbers outside the North American Numbering Plan.

Note 2: 976 blocking is mandatory on all options as provided in A13.18 of this Tariff.

Note 3: For the Access Line Feature options which do not offer central office blocking of 900 calls, this feature is available at the request of the subscriber as provided under Customized Code Restriction (CCR) Option #5 defined in A13.20 of this Tariff. (T)

Note 4: Options D, F and H may only be provided for placement in correctional institutions, schools, hospitals and other locations for which the Public Service Commission may grant a specific exemption.

A7. COIN TELEPHONE SERVICE

A7.4 Public Telephone Access Service For Customer Provided Equipment (CPE) (Cont'd)

A7.4.4 Service Features (Cont'd)

B. Central Office Blocking with Operator Screening for Flat Rate Service. (N)

Subscribers to this service are required to take one of the following options where facilities are available to provide such service. (N)

Option	Description	USOC	
			(N)
C	Two-Way Service. Provides screening information to the operator to prevent operator assisted sent-paid calls from being billed to the line. Provides central office blocking of 011+ calls[1,2,3]	FSN	(N)
D	Outward Only Service. Provides screening information to the operator to prevent operator assisted sent-paid calls from being billed to the line. Provides central office blocking of 011+ calls.[1,2,3,4]	FZP	(N)
E	Two-Way Service. Provides central office blocking of 7 digit local, 1+DDD, 1+ 900 and 011+ calls. Provides screening information to the operator to prevent operator assisted sent-paid calls from being billed to the line.[1,2]	F7E	(N)
F	Outward Only Service. Provides central office blocking of 7 digit local, 1+DDD, 1+900 and 011+ calls. Provides screening information to the operator to prevent operator assisted sent-paid calls from being billed to the line.[1,2,4]	F7F	(N)
G	Two-Way Service. Provides central office blocking of 1+DDD, 1+900 and 011+ calls. Provides screening information to the operator to prevent operator assisted sent-paid calls from being billed to the line.[1,2]	F7G	(N)
H	Outward Only Service. Provides central office blocking of 1+DDD, 1+900 and 011+ calls. Provides screening information to the operator to prevent operator assisted sent-paid calls from being billed to the line.[1,2,4]	F7H	(N)

Note 1: 011+ blocking provides central office blocking of calls to numbers outside the North American Numbering Plan. (N)

Note 2: 976 blocking is mandatory on all options as provided in A13.18 of this Tariff. (N)

Note 3: For the Access Line Feature options which do not offer central office blocking of 900 calls, this feature is available at the request of the subscriber as provided under Customized Code Restriction (CCR) Option #5 defined in A13.20 of this Tariff. (N)

Note 4: Options D, F and H may only be provided for placement in correctional institutions, schools, hospitals and other locations for which the Public Service Commission may grant a specific exemption. (N)

A7. COIN TELEPHONE SERVICE

A7.4 Public Telephone Access Service For Customer Provided Equipment (CPE) (Cont'd)

A7.4.4 Service Features (Cont'd)

C. Billed Number Screening (T)

Billed Number Screening as provided in A13.21 of this Tariff is a mandatory service feature for customer provided pay telephone service.

D. Answer Supervision (T)

At the request of the subscriber, Answer Supervision may be provided at the rates, terms and conditions set forth in A13.61 of this Tariff.

A7.4.5 Rates and Charges

A. Public Telephone Access Service for CPE - Rates and Charges Applied by The Company

Public Telephones Access Service for CPE *may be* provided on a Usage Rate basis or Flat Rate basis where facilities permit. (C)

1. Usage Rate Service

a. The monthly rate per line for Public Telephone Access Service for CPE is 80 percent of the business individual line flat rate as specified in Section A3. of this Tariff.

b. No monthly usage allowance applies for Public Telephone Access Service for CPE.

c. The following usage charges apply for calls within the local calling area and to calls in the Local Calling Plus exchanges specified in A3.8.50 and to calls in the Extended Calling Service exchanges specified in *A3.3* other than those specified in d. following.[1] (C)

(1) Usage Charges

Initial Minute or Fraction Thereof	Additional Minute, Each or Fraction Thereof
$.0275	$.0125

Note 1: Calls within the local calling area are each charged for at least one (1) minute of use. For local calls that exceed one (1) minute, usage charges are based on conversation time rounded up to the nearest one tenth (1/10) minute.

A7. COIN TELEPHONE SERVICE

A7.4 Public Telephone Access Service For Customer Provided Equipment (CPE) (Cont'd)

A7.4.5 Rates and Charges (Cont'd)

A. Public Telephone Access Service for CPE - Rates and Charges Applied by The Company (Cont'd)

1. Usage Rate Service (Cont'd)

d. The following usage charges apply for calls within the local calling area and to calls in the Local Calling Plus exchanges specified in A3.8.50 placed between 12:00 P.M. and 2:00 P.M., 9:00 P.M. and 9:00 A.M., and Saturday and Sunday all day.[1]

(1) Usage Charges

Initial Minute or Fraction Thereof	Additional Minute, Each or Fraction Thereof
$.0175	$.0075

e. The monthly Public Telephone Access Service rate (80 percent of the business individual line flat rate) plus local usage rate charges billed per month is subject to a minimum billing of $30.00 per line per month.

2. Flat Rate Service (N)

a. The monthly rate per line for Public Telephone Access Service for CPE is the business individual line flat rate as specified in Section A3. of this Tariff. (N)

b. The following usage charges apply for calls in the Local Calling Plus exchanges specified in A3.8.50 and to calls in the Extended Calling Service exchanges specified in A3.3 other than those specified in c. following. (N)

(1) Usage Charges (N)

Initial Minute or Fraction Thereof	Additional Minute, Each or Fraction Thereof	
$.0275	$.0125	(N)

c. The following usage charges apply for calls in the Local Calling Plus exchanges specified in A3.8.50 placed between 12:00 P.M. and 2:00 P.M., 9:00 P.M. and 9:00 A.M., and Saturday and Sunday all day. (N)

(1) Usage Charges (N)

Initial Minute or Fraction Thereof	Additional Minute, Each or Fraction Thereof	
$.0175	$.0075	(N)

Note 1: Calls within the local calling area are each charged for at least one (1) minute of use. For local calls that exceed one (1) minute, usage charges are based on conversation time rounded up to the nearest one tenth (1/10) minute.

* d/b/a SOUTHERN BELL TELEPHONE AND TELEGRAPH COMPANY